



# AGRICULTURAL FINANCE

CO-OPERATIVE LIMITED

ABN 23 048 434 035

## Explanatory Memorandum to Members

### 1 Purpose of Explanatory Memorandum

The purpose of this Explanatory Memorandum is to provide members of the Agricultural Finance Co-operative Limited (the “**Co-operative**”) with the information necessary to enable them to assess the merits of the resolutions to be proposed at the forthcoming annual general meeting of the Co-operative members.

### 2 Outline of Proposals and required resolutions

#### 2.1 Accounts and Reports

The Co-operatives Regulation 2005 (NSW) requires:

- The reports of the directors and auditors; and
- The annual financial report, including the financial statements of the Co-operative,

to be laid before the annual general meeting. Neither the Co-operatives Act nor the Co-operative Rules requires a vote of members on the reports or statements. However, members will be given ample opportunity to raise questions or comments on the reports and statements at the meeting.

#### 2.2 Re-election of director - Mr Robert Charles Colwell

Rule 62(a) of the Co-operative Rules provides that at the annual general meeting of the Co-operative two of the directors shall retire in each subsequent year. Retiring directors are eligible for re-election.

Nominations for candidates to fill the vacant position were sought more than six weeks before the annual general meeting and to date no nominations have been received.

Robert Charles Colwell was elected as a Director in January 2006 and will retire in accordance with Rule 62(a). Rule 63(b) provides that Robert can offer himself for re-election as a Director. Accordingly a resolution will be put to the members to re-elect Mr Robert Charles Colwell as a director of the Co-operative.

Details of the experience and qualifications of Robert Charles Colwell follow.

Robert grew up and became part of the family farming business together with his parents, brother and two sisters south of Tamworth in New South Wales until 1976. In mid 1976

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he commenced his own original farming business on a property near Coonamble in north-western New South Wales. His farming experience, which continues to this day on the Liverpool plains, covers wool, beef, fat lambs and grain production including irrigated cropping.

Robert completed the sheep and wool technology at Tamworth TAFE college, confirmed a Justice of the Peace in 1989 and held a security dealers license. Other activities include a practicing commercial pilot, company director, and real estate investment.

### **2.3 Re-election of director - Mr Robert Charles Yabsley**

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Nominations for candidates to fill the vacant position were sought more than six weeks before the annual general meeting and to date no nominations have been received.

Robert Charles Yabsley was elected as a Director in January 2006 and will retire in accordance with Rule 62(a). Rule 63(b) provides that Robert can offer himself for re-election as a Director. Accordingly a resolution will be put to the members to re-elect Mr Robert (Bob) Charles Yabsley as a director of the Co-operative.

Bob has been involved in active management of rural business all his working life including:

- Two years as Overseer and Acting Manager to cattle operation for Levers Pacific Plantation in the Solomon Islands;
- Five years as General Manager of Synca Pastoral Company in northern NSW;
- Two years as Partner of Kingston Rural Management, agricultural consulting in the Maryborough and Gympie areas of Queensland.

He commenced his own rural business with the purchase of a property in the Warialda area of NSW in 1972. He purchased the property "Mobandilla" in 1983 and commenced irrigation development in 1987. He commenced the Mobandilla Cotton businesses in 1995, is the Managing Director and has overseen all development, production and business operations of the group.

## **3 Directors Recommendation**

The directors of the Co-operative are:

- Russell Ernest Clothier
- Robert Charles Colwell
- Andrew Jackson McLaughlin
- Robert Charles Yabsley (Chairman)

The directors unanimously recommend that members approve the election of Robert Charles Colwell and Robert Charles Yabsley and therefore recommend that members approve Ordinary Resolutions 1 and 2.